

**SUMMARY REPORT
HOUSING DISPOSITION AGREEMENT
BY AND BETWEEN
THE LOMA LINDA HOUSING AUTHORITY,
AUTHORITY
AND
JESUS A. LEYVA and MARIA A. LEYVA
PARTICIPANTS
(24966 Court Street)**

MAY 2012

**SUMMARY REPORT
HOUSING DISPOSITION AGREEMENT
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AND
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INTRODUCTION

The Loma Linda Housing Authority (hereinafter the "Authority") has proposed to enter into a Housing Disposition Agreement (hereinafter the "Agreement") with Jesus A. Leyva and Maria A. Leyva (hereinafter the "Participants"). The purpose of the Agreement is to effectuate the Authority's Home Buyer Loan Program (the "Program") pursuant to which the Authority provides financial assistance to make certain residential properties within the City of Loma Linda (the "City") available for purchase by low income households at an affordable housing cost. In accordance with the Program and the terms of the Agreement, Participants desire to purchase that certain real property commonly known as 24966 Court Street, Loma Linda, California 92354 (hereinafter the "Site") and the Authority desires to sell the Site to Participants under the terms of the Program and the Agreement.

This analysis describes and specifies all of the following:

- (i) The cost of the agreement to the Authority, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the Authority, plus the expected interest on any loans or bonds to finance the agreements.
- (ii) The estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the plan.
- (iii) The estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants, and development costs required by the sale or lease. The purchase price or present value of the lease payments which the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use, then the Authority shall provide as part of the summary an explanation of the reasons for the difference.
- (iv) An explanation of why the sale or lease of the property will assist in the providing low to moderate income housing, with reference to all supporting facts and materials relied upon in making this explanation.

It is the intent of this Report to meet all of these requirements and provide the necessary information and data.

This Report is organized into the following sections:

- Salient Points of the Proposed Agreement
- Cost of the Agreement to the Authority
- Estimated Value of the Interest to be Conveyed
- Comparison of Purchase Price to the Fair Re-Use Value
- How The Agreement Contributes to Providing Affordable Housing
- Facts Supporting Determinations

SALIENT POINTS OF THE PROPOSED AGREEMENT

Description of the Property

The property to be conveyed by the Authority to the Participants is located at 24966 Court Street, Loma Linda, California. As of the date of execution of the Agreement, the Site is owned by the Loma Linda Redevelopment Authority. The former Loma Linda Redevelopment Agency purchased the Site and transferred ownership of it to the Authority for the purpose of reselling the property to a Participant who meets the criteria outlined in the existing program as a low-income household as defined in the Agreement and to maintain the long-term affordability of the Site for future low-income households.

The property consists of a three (3) bedroom, two (2) bath single family home situated on an approximately 6,750 square foot parcel, fronting on a public street. All typical utilities and other public improvements are provided.

The market value of the property is estimated at \$160,000.

Authority Responsibilities

1. The Authority shall sell the Site to the Participants at a value not less than the reuse value of \$140,000. The actual dollar amount to be received by the Authority may be more than the \$140,000, due to the provisions of the loan to be provided by the Authority.
2. The Authority shall assist in financing the purchase of the Site by providing a first trust deed loan to the Participants in the amount of \$20,000. This loan shall include the following provisions:

- a. The loan shall carry no interest rate.
 - b. The loan shall require no payments except that it shall all become due and payable on the forty-fifth (45th) anniversary of the effective date of the loan documents.
 - c. In the event the loan is repaid or is required to be repaid before the forty-fifth (45th) anniversary, the Authority shall receive a sharing of the equity pursuant to the provisions of the Promissory Note.
3. The Authority shall also assist in financing the purchase of the Site by providing a second trust deed loan in the amount of \$139,000. The loan shall include the following provisions:
 - a. The loan shall carry an interest rate of 6.00%.
 - b. The loan payment, including principal and interest shall be \$833.38 per month. .
 - c. The loan shall be for a term of 30 years.

Participants Responsibilities

1. The Participants shall acquire the Site from the Authority for \$140,000.
2. The Participants shall pay a minimum down payment of \$1,000.
3. The Participants shall enter into the first loan agreement with the Authority in the amount of \$20,000, as outlined above.
4. The Participants shall enter into the second loan agreement with the Authority in the amount of \$139,000, as outlined above.
5. The Participants shall enter into an option agreement with the Authority, granting the Authority first right-of-refusal to acquire the property in the event of certain events of default by the Participants. The option agreement shall allow the Authority to purchase the property at the Affordable Housing Cost of the property as defined in the option agreement.
6. The Participants shall meet all requirements of the Program as a low-income household and shall enter into the Agreement with the Authority.
7. The Participants shall meet all requirements of the Promissory Notes outlined in the Agreement and shall repay the loans provided by the Authority pursuant to the terms of the Promissory Notes. Any equity share, if applicable, shall be determined at the resale of the Site.

COST OF THE AGREEMENT TO THE AUTHORITY

The value of the property at the time title was transferred from the former Loma Linda Redevelopment Agency to the Authority was \$160,000.

The Authority is selling the Site to the Participants for \$140,000. Thus, the sale does not recoup the acquisition costs the Authority has incurred.

The Authority is providing a first trust deed loan to the Participants in the amount of \$20,000. This loan will be repaid pursuant to the terms of the Agreement. If the Participants remain in compliance with the terms of the Agreement, the loan shall be paid in full at the end of the terms of the Agreement. There will be no cost to the Authority for this Loan.

If the Participants take action requiring an Acceleration, as defined in the Agreement, the Participants shall repay the loan as well as additional interest as required by the Agreement. This additional interest will reduce the total cost of the Agreement to the Authority. Because of the contingent nature of an Acceleration and because the amount of interest to be paid in the event on of Acceleration is based on when such Acceleration may occur, it is not possible to determine if such additional interest would be paid and, if it is, the amount of it.

The Authority is also providing a second trust deed loan to the Participants in the amount of \$139,000, after the Participants provide a down payment of \$1,000. This loan will be repaid pursuant to the terms of the Agreement. The Participants shall make a monthly payment to the Authority on this loan of \$833.38. This loan shall have a term of thirty (30) years.

ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED

The Site is in a neighborhood having single-family houses whose values are comparable, one to another. Similar single-family residences in the same area were selling in the range of \$140,000 to \$175,000. The value of the Site is within this range, estimated at \$160,000.

COMPARISON OF PURCHASE PRICE TO THE FAIR RE-USE VALUE

The terms of the sale includes the provision of a 45-year affordability covenant by the Authority. The value of this covenant is \$20,000. Thus, the reuse value of the Site, not including the value of the affordability covenant is \$140,000, which has been established as the purchase price. Therefore, purchase price to be paid by the Participants as outlined in the Agreement is the same as the re-use value, \$140,000. The Authority shall receive a promissory note secured by a deed of trust for a loan in the amount of \$20,000 and an additional promissory note secured by a deed of trust for a loan in the amount of \$139,000, after the down payment of \$1,000 to be applied towards the purchase price.

HOW THE AGREEMENT CONTRIBUTES TO PROVIDING AFFORDABLE HOUSING

The Authority is selling the Site to the Participants and pursuant to that sale will record a low income Affordability Agreement to maintain the Site for low-income households. The proposed Agreement continues to implement the low-income affordable housing requirements the Authority imposed as a result of the original redevelopment which eliminated blight on the Site and surrounding properties. It also assists in the relocation efforts of the Authority.

FACTS SUPPORTING DETERMINATIONS

In approving this Agreement, the City Council makes several findings before authorizing the Authority to enter into this Agreement. These findings include:

1. The sale of the Site will assist in providing affordable housing.

Statement of Support

The Agreement continues to fulfill the Authority's obligations to provide low-to-moderate income housing arising from the obligations it accepted from the former Loma Linda Redevelopment Agency.

2. The sale of the Site will provide housing for a low- income household.

Statement of Support

The Agreement establishes covenants on the property requiring the Site to remain affordable to low income households for forty-five (45) years pursuant to California Health and Safety Code Section 50043.

4. The consideration to be paid for the Site is not less than the fair reuse value.

Statement of Support:

The Agreement set the sales price at a value which is deemed to be the fair use value of the Site based on the low-income covenant that will continue for forty-five. This was done to fulfill the Authority's obligations to provide low-to-moderate income housing in accordance with California State Law.

5. The consideration to be paid for the Site is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement.

Statement of Support:

The Authority has reduced the sales price of the Site to \$140,000. This reduction is based on the covenants that will be placed on the Site pursuant to the Agreement to ensure the continued use of the Site for low-income households and the option agreement being entered into between the Participants and the Authority. The purchase price was also set near this level to meet the housing cost limits required for low-income households.

6. There is no other reasonable means of fully financing the sale of the Site.

Statement of Support

There are no reasonable additional outside funding sources, public or private, which can provide the Site at a cost which maintains the low-income requirements for the Site or which will ensure the recording of covenants against the Site as required by State Law.

The Authority's Promissory Notes are necessary to support the low-income affordability covenant requirement for a term of forty-five (45) years. The covenant/market value loan will initially fill the financial gap between a fair reuse value for the Site and the market value sales price of the Site being sold by the Authority to the Participants.

RESOLUTION NO. _____

A RESOLUTION OF THE LOMA LINDA HOUSING AUTHORITY APPROVING AN AGREEMENT FOR THE DISPOSITION OF PROPERTY FOR AFFORDABLE HOUSING USE WITH JESUS A. LEYVA AND MARIA A. LEYVA

(24966 Court Street)

WHEREAS, California Health and Safety Code Sections 33334.2 and 33334.6 formerly authorized and directed the Loma Linda Redevelopment Agency (the "Redevelopment Agency") to expend a certain percentage of all taxes which are allocated to the Redevelopment Agency pursuant to Section 33670 of the California Health and Safety Code for the purposes of increasing, improving and preserving the community's supply of low and moderate income housing available at affordable housing cost to persons and families of low- and moderate-income, lower income, and very low income; and

WHEREAS, pursuant to applicable law the Redevelopment Agency established a Low and Moderate Income Housing Fund (the "Housing Fund") and acquired certain property with the purpose of using such property for the provision of affordable housing; and

WHEREAS, by ABx1 26 enacted by the California Legislature during 2011 (the "2011 Dissolution Act"), the California Legislative eliminated every redevelopment agency within the State of California, including without limitation the Redevelopment Agency; and

WHEREAS, the 2011 Dissolution Act provides, in part, that the host city of a redevelopment agency was to designate a housing entity to receive the housing assets of the former redevelopment agency within such city; and

WHEREAS, the City Council of the City of Loma Linda ("City") activated a housing authority, the Loma Linda Housing Authority (the "Authority") within the corporate limits of the City, and designated the Authority as the housing entity to receive the housing assets of the former Redevelopment Agency; and

WHEREAS, pursuant to the 2011 Dissolution Act, an oversight board ("Oversight Board") has been established to oversee the wind-up of the activities of the Redevelopment Agency. At its meeting of March 20, 2012, by its Resolution No. 2012-004, the Oversight Board approved and affirmed the transfer of the housing assets of the Redevelopment Agency, including without limitation the Site, to the Authority; and

WHEREAS, the Redevelopment Agency utilized moneys from its Housing Fund in connection with the development of certain property, including without limitation a single-family residence located at 24966 Court Street (the "Site"); and

WHEREAS, the Site was developed and was sold for occupancy to a households having an income of not greater than eighty percent of median income (a "Low Income Household") at a price which was not in excess of "Affordable Housing Cost" for a "Low Income Household" as affordable housing cost is determined pursuant to Health and Safety Code Section 50052.5, all as further set forth in covenants recorded as to the Site which restrict its use to occupancy as affordable housing by Low Income Households; and

WHEREAS, the Redevelopment Agency subsequently reacquired the Site, which remains improved with a single-family residence and is available for occupancy; and

WHEREAS, the Site is the property of the Authority as heretofore set forth as a result of the 2011 Dissolution Act and the actions taken by the Oversight Board by its Resolution No. 2012-004; and

WHEREAS, Jesus A. Leyva and Maria A. Leyva, husband and wife (collectively, "Homebuyer") have offered to enter into an agreement with the Authority substantially in the form submitted herewith (the "Agreement") under which Homebuyer will purchase the Site, which is a single-family residence located at 24966 Court Street, for the purpose of residing at the Site; and

WHEREAS, Authority staff has determined that Homebuyer is a Low Income Household and that the price and terms under which the Site would be sold to Homebuyer under the Agreement does not exceed Affordable Housing Cost; and

WHEREAS, the Authority has duly considered all terms and conditions of the proposed Agreement and believes that the Agreement is in the best interests of the Authority and the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local law requirements; and

WHEREAS, a joint public hearing of the Authority and City Council on the proposed Agreement was duly noticed; and

WHEREAS, on June 12, 2012, the governing board of the Authority and the City Council held a joint public hearing on the proposed Agreement, at which time the City Council and the Authority reviewed and evaluated all of the information, testimony, and evidence presented during the joint public hearing; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the Authority has reviewed the Summary Report and has evaluated other information provided to it pertaining to the findings proposed to be made hereunder; and

WHEREAS, the Homebuyer acknowledges that the use of the Site will be as an owner-occupied residence, all as more particularly provided in the Agreement; and

WHEREAS, under the Agreement, Authority would sell the Site to the Homebuyer under a form of deed (the "Authority Deed") which includes long-term affordability covenants limiting the use of property to affordable housing, or which acknowledges affordability covenants of record as to the Site; and

WHEREAS, the Site is subject to a deed of trust (the "City Deed of Trust") in favor of the City of Loma Linda (the "City") as beneficiary as security for repayment of certain moneys earlier loaned by the City; and

WHEREAS, the proposed sale of the Site will not generate moneys at closing sufficient to eliminate or materially reduce obligations to the City, and the City, in cooperation with the Authority to further the implementation of the affordable housing activities of the Authority, is agreeable to releasing the Site from the effect of the City Deed of Trust;

WHEREAS, the Authority has duly considered all terms and conditions of the proposed Agreement and believes that the Agreement is in the best interests of the Authority and the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local law requirements;

WHEREAS, the purchase price to be received by the Authority under the Agreement is not less than the fair reuse value of the Site, as determined by a reuse value analysis prepared for the Authority by Community Advisors, a consultant retained by the Authority;

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the Authority and the City Council have duly considered all of the terms and conditions of the proposed Agreement and believes that the sale of the Site pursuant to the Agreement is in the best interests of the City of Loma Linda and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE LOMA LINDA HOUSING AUTHORITY DOES RESOLVE AS FOLLOWS:

Section 1. The Authority finds and determines that the statements set forth in the Recitals above are true and correct.

Section 2. The Authority finds and determines, based upon substantial evidence provided in the record before it: (i) the consideration for the Authority's disposition of the Site by sale pursuant to the terms and conditions of the Agreement, particularly including long-term affordability covenants, is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement; and (ii) the proposed sale of the Site will not generate moneys at closing sufficient to eliminate or materially reduce obligations to the City.

Section 3. The Authority hereby finds and determines that the disposition by sale of the Site by the Authority pursuant to the Agreement will further the achievement of the Authority's affordable housing objectives and is consistent with furthering the affordable housing objectives of the former Redevelopment Agency within a redevelopment project area.

Section 4. The Authority finds and determines that, based upon substantial evidence provided in the record before it, the consideration for the Authority's sale of the Site pursuant to the terms and conditions of the Agreement is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement.

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Section 5. The Authority hereby finds and determines that the Agreement is consistent with the provisions and goals of the Implementation Plan, as provided for pursuant to Health and Safety Code Section 33490, as previously adopted by the Redevelopment Agency.

Section 6. The Authority hereby approves the Agreement in substantially the form presented to the Authority, subject to such revisions as may be made by the Executive Director of the Authority or his designee. The Executive Director of the Authority is hereby authorized to execute the Agreement (including without limitation all attachments thereto) on behalf of the Authority, together with any instruments necessary or convenient to implement the Agreement. A copy of the Agreement shall, when executed by the Authority, be placed on file in the office of the Secretary of the Authority.

Section 7. The Executive Director of the Authority (or his designee) is hereby authorized, on behalf of the Authority, to make revisions to the Agreement which do not materially or substantially increase the Authority's obligations thereunder or materially or substantially change the uses or development permitted on the Site, to sign all documents, to make all approvals and take all actions necessary or appropriate to carry out and implement the Agreement and to administer the Authority's obligations, responsibilities and duties to be performed under the Agreement and related documents.

APPROVED AND ADOPTED this 12th day of June, 2012 by the following voteL

Ayes:

Noes:

Absent:

By:

Rhodes Rigsby, Chairman

ATTEST:

Pamela Byrnes-O'Camb, Authority Secretary

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOMA LINDA CONSENTING TO THE APPROVAL BY THE LOMA LINDA HOUSING AUTHORITY OF AN AGREEMENT FOR THE DISPOSITION OF PROPERTY FOR AFFORDABLE HOUSING USE WITH JESUS A. LEYVA AND MARIA A. LEYVA AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

(24966 Court Street)

WHEREAS, California Health and Safety Code Sections 33334.2 and 33334.6 formerly authorized and directed the Loma Linda Redevelopment Agency (the "Redevelopment Agency") to expend a certain percentage of all taxes which are allocated to the Redevelopment Agency pursuant to Section 33670 of the California Health and Safety Code for the purposes of increasing, improving and preserving the community's supply of low and moderate income housing available at affordable housing cost to persons and families of low- and moderate-income, lower income, and very low income; and

WHEREAS, pursuant to applicable law the Redevelopment Agency established a Low and Moderate Income Housing Fund (the "Housing Fund") and acquired certain property with the purpose of using such property for the provision of affordable housing; and

WHEREAS, by ABx1 26 enacted by the California Legislature during 2011 (the "2011 Dissolution Act"), the California Legislative eliminated every redevelopment agency within the State of California, including without limitation the Redevelopment Agency; and

WHEREAS, the 2011 Dissolution Act provides, in part, that the host city of a redevelopment agency was to designate a housing entity to receive the housing assets of the former redevelopment agency within such city; and

WHEREAS, the City Council of the City of Loma Linda ("City") activated a housing authority, the Loma Linda Housing Authority (the "Authority") within the corporate limits of the City, and designated the Authority as the housing entity to receive the housing assets of the former Redevelopment Agency; and

WHEREAS, pursuant to the 2011 Dissolution Act, an oversight board ("Oversight Board") has been established to oversee the wind-up of the activities of the Redevelopment Agency. At its meeting of March 20, 2012, by its Resolution No. 2012-004, the Oversight Board approved and affirmed the transfer of the housing assets of the Redevelopment Agency, including without limitation the Site, to the Authority; and

WHEREAS, the Redevelopment Agency utilized moneys from its Housing Fund in connection with the development of certain property, including without limitation a single-family residence located at 24966 Court Street (the "Site"); and

WHEREAS, the Site was developed and was sold for occupancy to a households having an income of not greater than eighty percent of median income (a "Low Income Household") at a price which was not in excess of "Affordable Housing Cost" for a "Low Income Household" as affordable housing cost is determined pursuant to Health and Safety Code Section 50052.5, all as further set

forth in covenants recorded as to the Site which restrict its use to occupancy as affordable housing by Low Income Households; and

WHEREAS, the Redevelopment Agency subsequently reacquired the Site, which remains improved with a single-family residence and is available for occupancy; and

WHEREAS, the Site is the property of the Authority as heretofore set forth as a result of the 2011 Dissolution Act and the actions taken by the Oversight Board by its Resolution No. 2012-004; and

WHEREAS, Jesus A. Leyva and Maria A. Leyva, husband and wife (collectively, "Homebuyer") have offered to enter into an agreement with the Authority substantially in the form submitted herewith (the "Agreement") under which Homebuyer will purchase the Site, which is a single-family residence located at 24966 Court Street, for the purpose of residing at the Site; and

WHEREAS, Authority staff has determined that Homebuyer is a Low Income Household and that the price and terms under which the Site would be sold to Homebuyer under the Agreement does not exceed Affordable Housing Cost; and

WHEREAS, the Authority has duly considered all terms and conditions of the proposed Agreement and believes that the Agreement is in the best interests of the Authority and the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local law requirements; and

WHEREAS, a joint public hearing of the Authority and City Council on the proposed Agreement was duly noticed; and

WHEREAS, on June 12, 2012, the governing board of the Authority and the City Council held a joint public hearing on the proposed Agreement, at which time the City Council and the Authority reviewed and evaluated all of the information, testimony, and evidence presented during the joint public hearing; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the Authority has reviewed the Summary Report and has evaluated other information provided to it pertaining to the findings proposed to be made hereunder; and

WHEREAS, the Homebuyer acknowledges that the use of the Site will be as an owner-occupied residence, all as more particularly provided in the Agreement; and

WHEREAS, under the Agreement, Authority would sell the Site to the Homebuyer under a form of deed (the "Authority Deed") which includes long-term affordability covenants limiting the use of property to affordable housing, or which acknowledges affordability covenants of record as to the Site; and

WHEREAS, the Site is subject to a deed of trust (the "City Deed of Trust") in favor of the City of Loma Linda (the "City") as beneficiary as security for repayment of certain moneys earlier loaned by the City; and

WHEREAS, the proposed sale of the Site will not generate moneys at closing sufficient to eliminate or materially reduce obligations to the City, and the City, in cooperation with the Authority to further the implementation of the affordable housing activities of the Authority, is agreeable to releasing the Site from the effect of the City Deed of Trust;

WHEREAS, the Authority has duly considered all terms and conditions of the proposed Agreement and believes that the Agreement is in the best interests of the Authority and the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local law requirements;

WHEREAS, the purchase price to be received by the Authority under the Agreement is not less than the fair reuse value of the Site, as determined by a reuse value analysis prepared for the Authority by Community Advisors, a consultant retained by the Authority;

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the Authority and the City Council have duly considered all of the terms and conditions of the proposed Agreement and believes that the sale of the Site pursuant to the Agreement is in the best interests of the City of Loma Linda and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMA LINDA DOES RESOLVE AS FOLLOWS:

Section 1. The City Council finds and determines that the statements set forth in the Recitals above are true and correct.

Section 2. The City Council finds and determines, based upon substantial evidence provided in the record before it: (i) the consideration for the Authority's disposition of the Site by sale pursuant to the terms and conditions of the Agreement, particularly including long-term affordability covenants, is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement; and (ii) the proposed sale of the Site will not generate moneys at closing sufficient to eliminate or materially reduce obligations to the City.

Section 3. The City Council hereby finds and determines that the disposition by sale of the Site by the Authority pursuant to the Agreement will further the achievement of the Authority's affordable housing objectives and is consistent with furthering the affordable housing objectives of the former Redevelopment Agency within a redevelopment project area.

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Section 4. The City Council finds and determines that, based upon substantial evidence provided in the record before it, the consideration for the Authority's sale of the Site pursuant to the terms and conditions of the Agreement is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement.

Section 5. The City Council hereby finds and determines that the Agreement is consistent with the provisions and goals of the Implementation Plan, as provided for pursuant to Health and Safety Code Section 33490, as previously adopted by the Redevelopment Agency.

Section 6. The City Council consents to the approval by the Authority of the Agreement in substantially the form presented to the City Council, subject to such revisions as may be made by the Executive Director of the Authority or his designee.

Section 7. The City Council approves the release of the Site from the effect of the City Deed of Trust and authorizes and directs the City Manager to execute such instruments as are necessary or convenient to effectuate such release. In addition, the City Manager is authorized to execute a quitclaim or other instrument as may be necessary or convenient to facilitate the conveyance of the Site to the Homebuyer as provided under the Agreement.

APPROVED AND ADOPTED this 12th day of June, 2012 by the following vote:

Ayes:

Noes:

Absent:

By:

Rhodes Rigsby, Mayor

ATTEST:

Pamela Byrnes-O'Camb, City Clerk